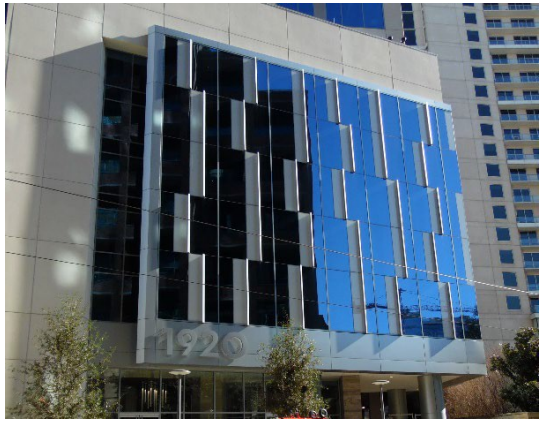
Employees' Retirement Fund of the City of DALLAS ®



2019 STRATEGIC PLAN UPDATE

September 10, 2019

Employees' Retirement Fund of the City of DALLAS ®

2019 Strategic Plan

ERF Mission, Guiding Principles and Core Values

» Mission – Provide retirement benefits and superior service to advance the financial security of its members

» Guiding Principles

- We are committed to excellence, quality and value in everything we do through the most effective use of our resources.
- We focus on the needs of our members and deliver consistent and timely information to our members about their retirement benefits.
- We are committed to public trust by being an ethical, sensitive, and cost efficient organization.
- We model best practices in our industry and innovate to achieve higher standards.
- We continually evaluate our business processes to support a user friendly environment that improves member satisfaction.
- We support open communication.

» Core Values

The ERF Staff is committed to reflecting these core values in all we say and do:

- Fulfilling fiduciary responsibilities with the utmost integrity and accountability;
- Thinking independently, respecting individuality, and working as a team;
- Encouraging open communication and collaboration;
- Continuously expanding our knowledge; and
- In all endeavors, act in an ethical, honest, and professional manner.

Strategic Plan – Business Objectives

The Employees' Retirement Fund of the City of Dallas focuses on seven key business objectives. They are the following:

- **Benefits Management** - Administer benefit programs and business processes in an innovative, effective and efficient manner
- **Customer Service** - Provide high quality customer service and education that enables members to make informed and timely retirement decisions
- **Education** - Improve the accessibility to, quantity, and quality of member education programs
- **Financial Management** - Develop and maintain financial and accounting processes that support ERF's business objectives and initiatives
- **Investment Management** - Maintain an investment management program that will provide funding for the benefit obligations of the Fund
- **Operations Management** - Develop and maintain a secure technology infrastructure and operations that will support ERF business objectives and initiatives
- **Talent Management** - Provide ERF staff with training in the skill sets, policies, and procedures that enables them to perform their respective functions

Benefits Administration

Initiatives	Project Manager(s)	Cost	Metric	Status
Pension Accounting System Implementation Agile Sponsor	David/Duc	High	Multi-year project with a scheduled implementation in mid-2020.	✓ **On Target**
Develop Workflow Strategies that mirror or compare to best practice solutions for all benefits and administration operation	David	Medium	Benefit and Administration procedures are converted to Workflow Design based on best practice.	✓ **On Target**
Conduct Enterprise Risk Assessment.	David	Medium	Complete Enterprise Risk Assessment.	✓ **On Target**

Pension Accounting Project is On Schedule

Vitech Project Achievements

as of July 31, 2019

- The Vitech project kickoff date was July 2018, has a timeline of twenty-six months and is on schedule.
- The project is still within the Board approved budget.
- The Performance Incentive Pay plan has been key in the assurance of the project schedule.
- Implementation of the project has included 18 FTE and 5 contracted employees.
- The day-to-day membership workflow has required 8 other FTE to back-fill the role of the project team.

Test Scenarios Completed	System Mappings Completed	Data Conversions Completed	Data Verifications Completed
521	25	8	127

Benefits Administration Achievements

as of July 31, 2019

- Membership services continue to thrive during the implementation of the Vitech software.
- Active, Deferred and Retired members are provided clear processing for ERF Board decisions.

Key day-to-day Metric Achievements

Members Counseled	Members Recommended For Retirement	Members Recommended For Disability Retirement
328	232	3

Number of Survivor Benefits Recommended	Number of QDRO Benefits Recommended	Number of Estates Recommended
43	5	38

Customer Service

Provide high quality customer service and education that enables members to make informed and timely retirement decisions

Initiative	Proposed Metric	Cost	Project Owner	Status
Improve the customer service system to a real time reporting process for each business owner	Current rating is 97.3%. Goal – Increase rating	Low	David	✓ **Completed**
Improve the workflow of the file feed system with the City's HR department	100% of records obtained within 90 days	Low	David	✓ **Completed**
Develop a memorandum of understanding with HR about Lawson/Workday access	An agreement outlining services and information provided	Low	David	✓ **On Target**
Update policies and procedures in preparation for workflow development with new Vitech pension accounting system	Revise 100% of the procedures	Low	David	✓ **Completed**
Expand opportunities/services for retiree working with the DCREA	Create two events in 2019	Low	Melissa	✓ **Completed**

Customer Service Achievements

as of July 31, 2019

- According to the 2018 American Express Survey - "86% of surveyed consumers say excellent customer service is provided when the customer service representative (CSR) provides the right answer to the customer's question."
- ERF staff are measured on timeliness, knowledge and accuracy provided to members.

Key Customer Service Metric Achievements

Customer Service Satisfaction Rate	Counselor's Customer Service overall	Members' wait time 10 minutes or less
97.3%	98.3%	92.3%

Membership Education

Improve the accessibility to, quantity and quality of member education programs

Initiatives	Project Manager(s)	Cost	Metric	Status
Design three classes that are two-hour certificate programs for active members	David / Melissa	Low	Hold classes every quarter	✓ **Completed**
Quarterly Newsletters for active members and retirees and expand use of social media	David / Melissa	Low	Redesign newsletters and website to reach 100% of members	✓ **On Target**
Expand suite of member education programs including financial literacy program for millennials	David / Melissa	Low	Reach 100% of attendees	✓ **Completed**
Enhance pre-retirement & financial planning class	David / Melissa	Low	Hold 6 classes per year	✓ **On Target**
Create half day in-depth ERF camp for interested employees	David / Melissa	Low	Hold classes quarterly for members	✓ **On Target**
Continue to enhance the summer sessions	David / Melissa	Low	Reach 10% of active members	✓ **On Target**

Membership Educational Achievements

as of July 31, 2019

Key Member Education Metric Achievements

Summer Sessions Hosted	Number of Attendees	Education Goal
14	600	780

Facebook Likes as of 1/14/2019	Facebook Likes as of 6/13/2019	Facebook Likes as of 8/13/2019
471	825	1,000

Website Traffic Results:

- ❑ Users between the ages of 45 – 65 visit about seven pages on the ERF web site.
- ❑ Users between the ages of 18 – 24 visit about four pages.
- ❑ 35% of users access our site via a mobile device – tablet or cell phone.

Investment Management

Maintain an investment management program that will provide funding for the benefit obligations of the Fund

Initiatives	Project Manager	Cost	Metric	Status
Update asset allocation with revised market assumptions. Conduct investment manager searches according to timeline.	Natalie	Medium	Update general investment policy. Complete searches and successful transitions according to new policy,	✓ **On Target**
Enhance risk management strategy and optimize risk management tool for both portfolio analysis and risk management	Natalie	Medium	Enhance quantitative metrics and risk management analytics	✓ **On Target**
Conduct quarterly conference calls with all investment managers Board presentation bi-monthly	Natalie	Low	Meet with 100% of managers 4x a year	✓ **Completed**
Conduct due diligence on existing managers and examine new potential asset classes (i.e timber, infrastructure etc.)	Natalie	Medium	Conduct due diligence meetings on 1/3rd of managers every year; examine other asset classes per Board interest	✓ **On Target**
Continue to hold Open Houses for next generation managers	Natalie	Low	Hold a minimum of two open houses a year	✓ **On Target**

Financial Management

Develop and maintain financial and accounting processes that support ERF's business objectives and initiatives

Initiatives	Project Manager(s)	Cost	Metric	Status
Improve the year end audit and financial reporting process through enhanced collaboration	Edward	Low	Complete audit within second quarter 2019	✓ **Completed**
Enhance general ledger process and implement recommendations to improve efficiency	Edward	Medium	Evaluate recommendations and implement in 2019	✓ **On Target**
Evaluate and implement a pay card system for retirees without checking accounts	Edward	Medium	Select and Implement system with the new pension accounting system.	✓ **On Target**
Improve communication with City of Dallas HR/Payroll to prepare for new Workday system	Edward	Low	Complete design specifications and improve reconciliation process	✓ **On Target**

Operations Management

Develop and maintain a secure technology infrastructure and operations that will support ERF's business objectives and initiatives

Initiatives	Project Manager	Cost	Metric	Status
Continuously strengthen processes and resources to secure the confidentiality and integrity of member data and information.	Duc	Medium	Define security policies regarding PII identification, handling, and securing	✓ On Target
Enhance cybersecurity policy	Duc	High	Identify email concerns as they occur, once City of Dallas issue is resolved (to the best of our abilities), we can address handling other email issues.	✓ On Target
Continue to implement new pension accounting system. Align organizational resources with system processes	Duc	High	To support Business/Vitech with IT operations Rebuild of Dallaserf.org to coincide with the replacement of V3's MSS product with the required interface. Laserfiche integration to provide the same or more functionality as CPAS. Plan V3 infrastructure and its various components placement within the current infrastructure.	✓ On Target
Update disaster recovery plan and conduct drills	Duc	Medium	Develop and generate system reports to reflect current systems security status. Develop relevant security materials for users and . admins including training, tips, bulletins, documentation	✓ On Target

Talent Management

Provide ERF staff with training in the skill sets, policies and procedures that enables them to perform their respective functions

Initiatives	Project Manager(s)	Cost	Metric	Status
Create individual development plans for all ERF employees	All Managers	Low	Completed plans for 100% of employees	✓ **On Target**
Enhance cross-training and succession plan	All Managers	Low	1 – 2 people are cross-trained for every function	✓ **On Target**
Develop in-house training program	All Managers	Medium	Hold 3 – 5 training sessions	✓ **Completed**
Hire and train additional staff	All Managers	High	Fill 100% of openings	✓ **Ongoing**

ERF Established an In-House Training Program

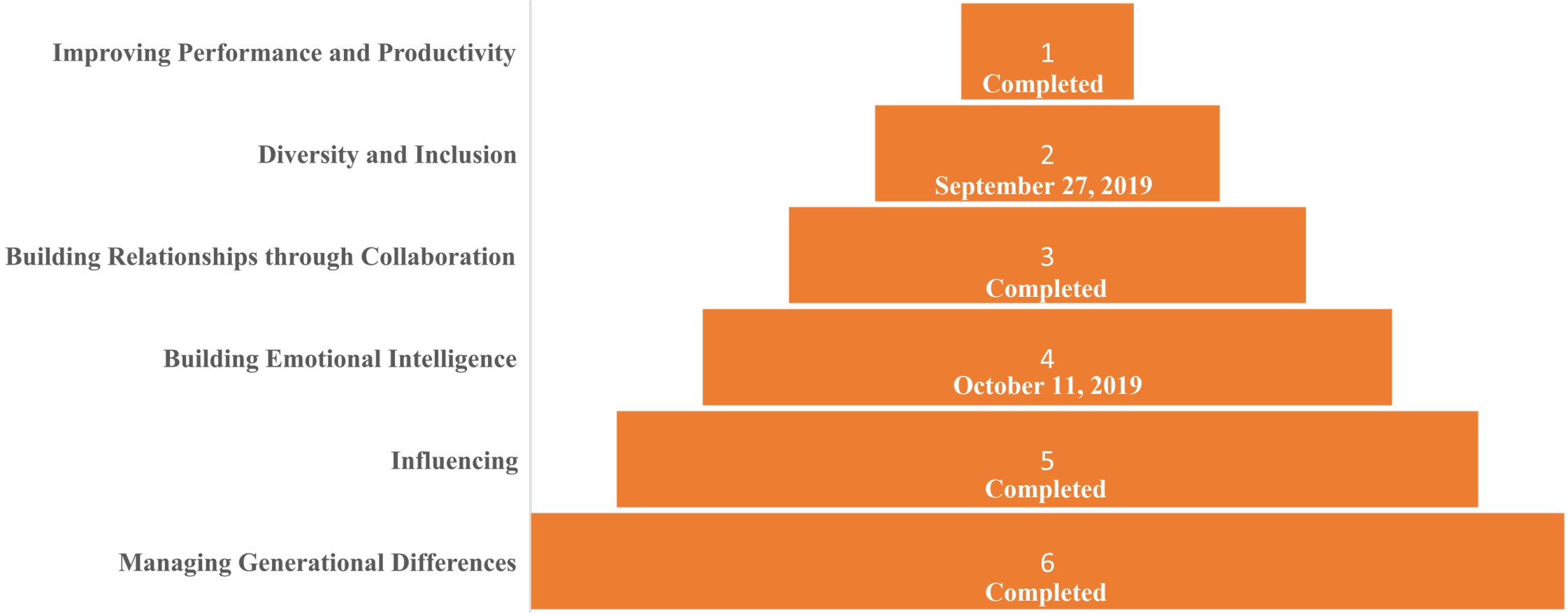
- Provide ERF staff with training in the skill sets, policies, and procedures that enables them to perform their respective functions.
- In 2018, ERF offered 6 of the business related courses to all staff and contractors.
- In 2019, ERF partnered with Management Concepts, a Private Group Training Firm.
- Management Concepts offers training to organizations with specific training and development challenges affecting an entire group or department.
- This training is an effective way to ensure all our employees learn the same concepts and techniques – simultaneously and consistently.

ERF In-House Training Courses - 2018

- Various ERF staff provided training on key business objectives to all employees
- These courses were offered weekly and became known as the "Breakfast Club Sessions"
- Participation ranged from 80% to 95% for each class based on the needs of service.

ERF In-House Training Courses - 2019

ERF Manager's Ranked Course offerings 1- 6 for all staff in Jan. 2019



Summary of Achievements

- The Vitech project kickoff date was July 2018, has a GO LIVE date of twenty-six months and is on schedule.
- The Vitech project is still within the Board's approved budget forecast.
- Performance Incentive Pay plan has been key to assure the project schedule with permanent employees.
- ERF received the Financial Officers Association Certificate of Excellence for FY 2017.
- ERF established an In-House TrainingProgram for all employees.